

The Operational Site Visit: A Fiscal Perspective

Karen White
KSW Healthcare Consulting
kwhite4@gmail.com

Agenda

- Understand how the updated Site Visit Guide impacts compliance reporting.
- Discuss key strategies for achieving compliance in the following areas:
 - Sliding Fee Scale
 - Financial Management and Control
 - Billing and Collections
 - Budget
 - Data Reporting
- Learn how to prepare for the fiscal reviewer.
- Learn the most common “Not Met” fiscal requirements

Site Visit Guide Changes

- Site Visit Guide is the review instrument used by all Consultants during the Operational Site Visit (OSV)
- Electronic OSV Report Template implemented in November of 2014
- Site Visit Guide was revised in November of 2014. A draft compliance manual has been released.

<http://bphc.hrsa.gov/administration/visitguidepdf.pdf>

Impact on Compliance Reporting

- All elements of a Program Requirement (PR) must be compliant in order to obtain a status of “Met” No partially met, it is met or not met
- Elimination of Performance Improvement (PI) Areas in final report
- Consultants will continue to perform Technical Assistance (TA) during OSV, as time allows

Use of the site visit guide

- The site visit tool should be used to prepare for the visit.
- The preparation should begin at least 60 days before the visit.
- Divide the guide between senior staff
- Answer all of the questions corresponding to each program requirement to identify any areas of non-compliance
- Starting early allows you time to make changes to policies, procedures, or to improve documentation to ensure compliance

Public Housing Concerns

There should be a service delivery site in an area immediately accessible to public housing for health centers targeting public housing residents

Can you apply for a waiver of the patient majority board composition? The health center must show “Good cause” that justifies the need for the waiver.

Program Requirement #7 Sliding Fee Discounts

- Health center has a system in place to determine eligibility for patient discounts adjusted on the basis of the patient's ability to pay.
- This system must provide a full discount to individuals and families with annual incomes at or below 100% of the Federal poverty guidelines (only nominal fees may be charged) and for those with incomes between 100% and 200% of poverty, fees must be charged in accordance with a sliding discount policy based on family size and income.
- No discounts may be provided to patients with incomes over 200 % of the Federal poverty guidelines.
- No patient will be denied health care services due to an individual's inability to pay for such services by the health center, assuring that any fees or payments required by the center for such services will be reduced or waived.

PR 7

- Consultant will review:
- Sliding Fee Policy
- Sliding Fee Scale
- Signage
- Contracts for services listed on Form 5B Column II and Column III
- Patient fee/charge schedule

Sliding fee Policy

- Description of the program
- Provisions for waiving fee(s) and nominal charges for specific patient circumstances.
- Ensures that patient privacy and confidentiality is protected throughout the process.
- Definition of family and income
- Specific structure of the SFDS itself
- Applies to all in scope services list on Form 5A

Sliding fee Scale

- The SFDS has at least three discount pay classes above 100 percent and at or below 200 percent of the FPG.
- These discount pay classes must be tied to gradations in income levels. (% of FPG)

Fee Schedule

- When was the last time the fees was updated?
- Method used to set the fees?
- Do the fees cover your cost?
- Were local prevailing rates considered?

Nominal Fee

- The nominal fee must be a fixed/ flat fee, not a percentage or a range.
- The nominal fee cannot be more than the fee paid by a patient in the first SFDS pay class above 100 percent of the FPG.
- Ensures that the nominal fee for charges is a fixed fee that does not reflect the true value of the service(s) provided and is considered nominal from the perspective of the patient and that the nominal charges are not “minimum fees,” “minimum charges,” or “co-pays.”

PR #12 Financial Management and Control Policies

- Health center maintains accounting and internal control systems appropriate to the size and complexity of the organization reflecting Generally Accepted Accounting Principles (GAAP) and separates functions appropriate to organizational size to safeguard assets and maintain financial stability. Health center assures an annual independent financial audit is performed in accordance with Federal audit requirements, including submission of a corrective action plan addressing all findings, questioned costs, reportable conditions, and material weaknesses cited in the Audit Report.

PR 12

Consultant will review:

- Accounting Policies & Procedures
- Most recent Federal Audit
- Corrective Action Plan, if applicable
- System of Internal Controls
- Financial Statements
- System of Tracking Federal Transactions

Accounting Policies

- Audit policy
- Federal drawdown & Grants management policy
- Internal control policy/Segregation of Duties
- Procurement/Purchasing
- Contracts: Review PR 10
- Budget process
- Financial reporting
- General accounting policies & others

Accounting Policies

- Update the policies as needed and obtain board approval
- Make sure each policy is signed, dated, approved by the Board, and documented in board minutes

Federal Audit



- Must have an annual audit complies with A-133 Compliance
- The board selects the auditors
- The board accepts the audit
- The board receives and approves a corrective plan if the audit reports any areas of non-compliance, findings, or questioned costs, reportable conditions, or material weakness

Tracking Federal Transactions

- How do you track Federal and non-Federal Transactions
- Can you run a Federal Profit and Loss report in the general ledger?

Financial Statements

- Do the statements reflect GAAP?
- What reports are provided to the finance committee and board of directors?
- Does the board receive financial information monthly?
- Does the finance committee meet monthly? Do you keep minutes, do the minutes document discussion?

PR # 13 Billing

- Health center has systems in place to maximize collections and reimbursement for its costs in providing health services, including written billing, credit and collection policies and procedures.



PR 13 Billing

Consultant will review:

- Billing Policies and Procedures
- A/R aging summary by payer source
- Compliance with PIN 2014-02
- UDS

PR # 13 Cont.

- Must document reasonable efforts to collect and receive reimbursement for the costs in providing health services.
- Does the HC Participate with Medicaid, CHIP, and private third party payers
- Make reasonable efforts to collect payments from patients. (but, not a barrier to care)
- Consultant will review your account receivable aging summary

Billing Policies

- Must have written policies and procedures addressing billing and collections.
 - How frequently do you process claims
 - Overview of billing process
 - How you assure that all claims are processed and billed
 - Provisions for waiving charges or nominal fee
 - Refusal to pay

PR 14: Budget

- Health center has developed a budget that reflects the costs of operations, expenses, and revenues (including the Federal grant) necessary to accomplish the service delivery plan, including the number of patients to be served.

PR 14: Budget

Consultant will review:

- Most recent 330 grant budget with forms
- Current operating budget with assumptions
- Financial statements comparing actual to budget
- UDS

Budgets

- Will review the 330 grant budget and operating budget
- Does the Federal funding match your most recent NOA?
- Assumptions used to develop the budget
 - Number of patients to be served
 - Number of encounters
 - Payer mix
 - Net patient revenue
 - Personal and benefit costs
 - Other expenses
 - Does the operating budget show a Profit

Budgets

- Are there budgetary controls in place?
- Do you keep a Federal draw down schedule? Is it shared with the finance committee on a periodic basis?
- Does the finance committee/ board of directors receive profit and loss statements comparing actual results to the budget?
 - Monthly and year to date

Program Data Reporting

- Health center has systems which accurately collect and organize data for program reporting and which support management decision-making.
- Appropriate systems and capacity in place for collecting and organizing the data required for UDS, FFR, Clinical and Financial Performance Measures.
- Examples of how data is/was used to support management decision making

Most common fiscal 'Not Met'

- PR #7
 - Sliding fee policy does not include the required language
 - Sliding fee scale is not compliant
 - Fees/charges do not cover costs
 - Does not document how HC assures the nominal fee is nominal from patient perspective
- PR #13
 - Billing policies do not describe the billing process
 - Assurance that all charges are billed



Preparation for the fiscal reviewer

TIPS



- Prepare the documents in advance; use a flash drive, drop box, or other method to share documents
- Cooperate with the consultants by answering their questions and/or provide requested information
- Common curtsies
- Make sure you have a workplace reserved for the team
- –Access to the internet
- Access to electric plug-ins

TIPS

For the visit

- Be transparent! Communicate!
- Anticipate meeting with
 - The CFO
 - Billing Manager
 - Front desk staff
 - Eligibility staff
 - IT manager

Work with (not against) the reviewers

View the OSV as an opportunity for improvement

Resources

- <https://bphc.hrsa.gov/archive/administration/visitguidepdf.pdf>
- <http://nchph.org/training-and-technical-assistance/>
- <https://www.bphc.hrsa.gov/programrequirements/pdf/healthcentercompliancemanual.pdf>
- <https://bphc.hrsa.gov/programopportunities/lookalike/pdfs/pin201402.pdf>

Questions?

??

